

Development (1923) Department.

Miscellaneous SERIES.

G.O. No. 506

DATED 11-4-1923.

[Despatch Abstract.]

Co-operative Societies

Shamrao Khatol Urban Society
Bombay - Mangalore branch audits
decision of disputes by arbitration.

CO-OPERATIVE DEPARTMENT.

R.F. XXII-K-16 (a)-9,204-6-12-22.

In future letters, please
quote No. B-35/28
date
and short title *

Recd. _____ Enclosures Two

Regd. _____ Spare copies _____

Telephone No. 532

Post Box No.

Telegraphic address:

"CO-OPERATION".

STATION Madras, Chepauk.  Dated 5th March 1923.

From

J. Gray Esquire, C.D.E.; F.C.S.,

REGISTRAR OF CO-OPERATIVE SOCIETIES,

To

Madras.

The Secretary to Government

Development Department,

Sir,

Fort Saint George, Madras.

Sub:-Shamrao Withal Urban Co-operative Credit Society
Bombay - Mangalore Branch - Audit - Decision
of disputes under arbitration rules.

Ref:- Letter No.55/16 of 23 dated 3-1-23 from the
Registrar of Co-operative Societies, Bombay.

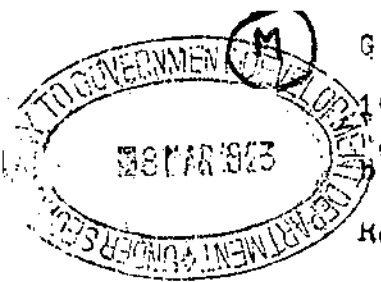
I have the honour to enclose for the
information of Government copy of the letter of the
Registrar of Co-operative Societies, Bombay, referred to
above and my reply thereto.

I have the honour to be,
Sir,
Your most obedient servant,


Registrar.

Copy of the letter No.55/16 of 1923 dated 3rd January, 1923 from the Registrar of Co-operative Societies, Bombay, to the Registrar of Co-operative societies, Madras.

I have the honour to bring to your notice, that there is a large Urban Co-operative Credit society called the Shamrao Vithal, Urban Co-operative Credit society registered in this Presidency and its head-office is in Bombay. This society exists for the purposes of Saraswat Brahmins whose main places of residence are along the Western coast of India. Many of those Saraswats who are members of the society reside in Mangalore within the Presidency of Madras. Under letter from the Government of Madras, Revenue Department No. 3187 of the 6th Novr 1914, that Government gave its consent to the opening of a branch of the Shamrao Vithal Society at Mangalore under the Registrar, Bombay Presidency, and since that date the branch has been operating as part of the Shamrao Vithal Society registered in Bombay and under the control of this office. The society has now approached on two matters connected with the working of this branch. The first matter is that the society has to refer some cases of default in the Mangalore branch to arbitration. The society has therefore suggested that for the purposes of convenience I should request you to authorise the Assistant Registrar of Co-operative societies, at Mangalore to admit arbitration suits from this branch, although it is registered under Bombay. This however would be only be possible, legally, I imagine, if you consented to let me appoint your Assistant Registrar or some else nominated by him to be arbitrator on my behalf, the arbitration being notified in the Bombay Government Gazette. I do not myself know how otherwise this could be legally arranged. The second point concerns the audit of the accounts of Mangalore Branch. Last year this branch was audited by the special Auditor, Bombay, and of course the expenditure falling upon the society was very considerable owing to the long distance to be covered from Bombay to Mangalore. The society, therefore, suggested that I should accept an audit by the local Auditor of the Co-operative Department in the Presidency of Madras if you



would consent to depute an auditor for that purpose.

A | I should have no objection whatsoever myself to accepting the certificate of an auditor under you if you would be prepared to consent, and I should be prepared to levy fees for his service under the usual rates in force in this Presidency and pay them over to your Department in lieu of his services. I am, however, not myself certain what the usual rates of fees levied from Urban societies of this class in your Presidency would be, and I do not know whether you would consider our scale of fees sufficient. The scale with us would be as follows:-

For first 100000 of working capital	...	1/8.%
100,000 to 300,000	. . .	1/8 %
300,000 to 500,000		1/16%
For every additional 100,000 or part		1/32 %
with a maximum fee of		Rs.700/-

I have therefore the honour to request to be informed what your own opinion is on the two points involved ^{how} and ^{far} you can see your way to make an arrangement which will meet the wishes of the society.

GN

Enclosure II
CO-OPERATIVE DEPARTMENT.

R.F. XXII-K-16 (a)-9,204-6-12-23.

In future letters, please
quote No. B-36/23
date 3. Regd.
and short title *

Recd. _____ Enclosures _____

Telephone No. _____
Post Box No. 532
Telegraphic address :
" CO-OPERATION "

STATION Madras, Chennai
CAMP

Dated 5th March 1923

From

J. Gray Esquire, O.B.E., I.C.S.,
REGISTRAR OF CO-OPERATIVE SOCIETIES,

To

Madras.

The
Registrar

Co-operative Societies, Bombay,

Sir,

Poona.

Sub:- Arbitration - Audit - Shamrao Vithal Urban Co-operative society - Mangalore Branch.

Ref:- Your letter 55/16 of 23 dated 3-1-1923. (P2
Supt)

I have no objection to ~~have~~ your
appointing the Assistant Registrar, Mangalore or some
one nominated by him as arbitrator in connection with
the arbitration suits connected with the Mangalore
Branch of the Shamrao Vithal Urban Co-operative Credit
society, Bombay. I am prepared to depute an Inspector of
Co-operative societies ~~xxxxx~~ working under the
Assistant Registrar, Mangalore to conduct the audit
of the

of the branch at Bangalore. No audit fees are
levied from urban societies in this Presidency,
but the fee on the audit scale may be credited
to the Government of Madras.

(Inc Copy)

I have the honour to be,

Sir,

Your most obedient servant,
(BY C.D.R.)

R. S. S. S.
For Manager. 6/2/20

Shamrao Vittal Urban Co-operative society -Bombay-
Mangalore Branch - Audit - Decision of disputes
under the arbitration rules.

C.NO. 815-III.

Secretary's query on the draft order :-

Curious. Can a society in one Province
register legally in another ?

J.M.T.
19-3-1923.

To Under Secretary.

(II) Please see the correspondence in G.Os. NO.
1078 Rev., dated 8-4-1914, and No. 3186-7 Rev., dated
6-11-1914. According to section 3 of the Co-operative
Societies Act the jurisdiction of the Registrar is
confined to the Province in which he is employed. He
cannot therefore register a society outside his
Province. In the case in question the parent society
which was registered at Bombay ^{and it has opened} was permitted to open
a branch at Mangalore ^{in the Co-operative Societies Act} subject to the same rules and
bylaws as the parent society. It has not been separately
registered.

(II) The legality of societies situated in one --
Province, opening branches in another province has
been dealt with in para 2 of the Govt. of India
letter at page 2 of G.O.No. 1078 Rev., dated 8th
April 1914.

It is respectfully submitted
that this has already
been dealt with in the file

RA
22/3/23

RA
23/6/23

G.O. no 1078 of 8-4-1914 ought
to have been put up already. It
mentions the previous correspondence
on the subject.

One of the proposals of the Bombay
Regt is that the Am. Regt of the 25th
should be empowered to try the
disputes or arbitration suits relating



to the Branch of the Bombay Society. The Co. pro-
above seems to contemplate legal difficulties in
regard to the disposal of such arbitration proce-
dures

The attention of Regs may be drawn to this
Co. and his further remarks may be called
for

S/with
24.3.23

Reg. It seems doubtful if Reg.
has seen this

Dev. up. 815 III/23-7
26.3.23

27.3.23
26.3.23

Reg. up 0

26.3

had not seen Co Res 1078
d 8th April 1914 when I sent my
letter B 35/23 d 5th March 1923
to the Registrar of Co-operative
Societies Bombay But I had
considered the legal difficul-
ties involved in the disposal
of arbitration cases from the
Mangalore branch of the Shan-
mukh Urban Co-operative
Society, Bombay The business
of the Mangalore branch is
conducted by the Directors at
Bombay through their local

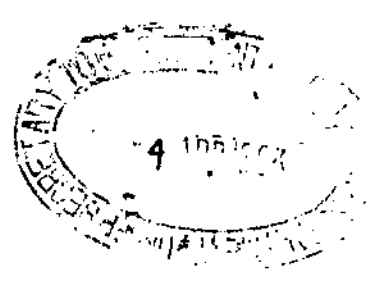
19
3
agent the Directors at Bombay
can file an arbitration suit be-
fore the Registrar of Cooperative
societies Bombay, against a
member of the Mangalore branch,
and there is no legal difficulty
preventing the Bombay Registrar
from referring the case to a
local arbitrator e.g. the Assistant
Registrar Mangalore. It is im-
material where the case is
decided. According to the Bom-
bay rules the arbitrator's
award has to be executed
through a Civil Court having
jurisdiction. As the cause of
action arises in Bombay the
execution petition has to be
filed in the Civil Court in
Bombay having jurisdiction.
The decree may then be trans-
ferred to the Civil Court in
Mangalore for execution.

There is also another simple
method of executing the arbit-
rator's award. Under rule 20
of the second schedule of
the Civil Procedure Code

4 g

the award being an award
passed without the intervention
of a Court, may be filed
in the Civil Court at Changa-
lore by any person interested
in the award. The Court will
then adopt the procedure
described in rules 20 & 21
of the Schedule quoted above
& give a decree.

D.1068. 14
4.4.23



I do not anticipate any
difficulties in actual practice
from the arrangements now
made with the Bombay
Registrar J. Gray
30 3 23

cc3 Sec Dept as

Secy Dept-

No action seems to be necessary.
I would however suggest a reference
to Law Dept., for an expression of
opinion on the subject. It is of course
deemed that there may be some local
difficulties in this matter. (V. 20 no
1078 of 8.4.1914)

(II)

S/ KKR
7-4-23

12

A ref. to Law is not missing
but on ref. to the Committee
of the Reg. evidently has grown
enough for his comments

DeWitt

10.4

77

40

[Faint, illegible handwritten notes]

